

COUNTY OF YORK

MEMORANDUM

DATE: January 22, 2003 (BOS Mtg. 2/4/03)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator

SUBJECT: Proposed resolution authorizing the lease and sublease to the Industrial Development of York County ("IDA") of that property in Yorktown proposed to be developed

As plans have proceeded for the proposed development of the Yorktown waterfront, partly on property owned by the Trustees of the Town of York (the "Trustees"), and partly on land owned by the County, staff has determined that it would be best to utilize the IDA to handle the actual development, part of which may be funded through IDA bonds. As I believe you are aware, the IDA has issued a request for proposals for a contractor qualified to both design and build the several structures proposed to be erected on the Yorktown waterfront under a design/build contract. In order for the IDA to be able to proceed as contemplated, it is proposed that the County execute a lease agreement, whereby all of the property proposed to be developed can be controlled by the IDA. It has long been contemplated, in fact, that the IDA would at least build the buildings and own them for the duration of the County's agreement with the Trustees. However, it is now proposed that the IDA also handle the related site work, which will be quite involved, requiring as it will the elevation of a large portion of the waterfront property in question to a height above flood plain, meaning the creation of a building pad approximately four to five feet above the current ground elevation. The recent revision to the joint agreement between the County and Trustees for the development of the waterfront, which the Board approved at its meeting of January 21, 2003, expressly authorizes the County to further sublease the Trustees' property or portions of it to the IDA for this very purpose. It also authorizes the County to sublease to Yorktown Freight Shed, L.P. that portion of the Trustees' property on which the relocated Freight Shed now sits. I will bring such a lease to you for your consideration at a later date.

The attached resolution authorizes the County to enter into a lease and sublease (a "lease" with respect to property owned by the County and a "sublease" with respect to property owned by the Trustees) by which the County will lease all of the subject property to the IDA. Such an agreement would provide that the unopened Martiau Street, which the County will be seeking to acquire by condemnation if necessary, and the 20' strip of land owned by the Commonwealth of Virginia and lying between the waterfront parcels owned by the Trustees and the County will be deemed included within the lease once the County has obtained title to those parcels. Such a lease might also include the Water Street property acquired by condemnation from G Square, Inc., if needed for purposes of staging of construction. The agreement will require the IDA to comply with all of the County's obligations to the Trustees as outlined in the joint agreement, meaning that the IDA will have no authority to construct any improvements which are not shown on the conceptual master plan which is made a part of that agreement. Moreover, the IDA will be authorized to select suitable tenants for the structures, again provided that the IDA complies with all of the terms and conditions of the joint agreement with the Trustees. All proposed leases would be subject to approval by the County. The final text of the lease/sublease agreement has not

been finalized, but will most likely conform substantially to the draft lease attached to this memorandum. The draft lease includes a sketch that shows the extent of the property proposed to be leased to the IDA, and the Freight Shed site that will most likely be leased to the Yorktown Freight Shed L.P.

The attached proposed Resolution R03-9 authorizes the County Administrator to execute such a lease and sublease agreement. I recommend its adoption.

Barnett/3340:swb

Attachments

- ? Lease and sublease
- ? Proposed Resolution R03-9